

Written Testimony

Subcommittee on Railroad, Pipelines and Hazardous Materials Committee on Transportation and Infrastructure May 14, 2008

Kevin Corbett, Vice President, Corporate Development, DMJM Harris-AECOM

Chairwoman Brown, Ranking Member Shuster, and Members of the Subcommittee: Good Morning. Thank you for inviting me to give testimony today.

My name is Kevin Corbett. I am Vice President of Corporate Development at DMJM Harris-AECOM, and a board member of New York's Regional Plan Association, a private, independent planning group. I am here today representing the Business Alliance for Northeast Mobility, a coalition of over 30 chambers of commerce, civic, and business associations from Boston, MA to Washington, DC, which have come together to advocate for bringing Amtrak's Northeast Corridor back to a state of good repair and improving the frequency, speed, and reliability of intercity and regional rail services in the Northeast.

On April 2, the Business Alliance held a reception in the U.S. Capitol to meet with members of Congress and Amtrak and show our support for Amtrak authorization and appropriations. The event was attended by Representatives Nadler, Gerlach, DeLauro, Senators Carper and Specter, and Amtrak President Alexander Kummant.

Our goal is to protect and enhance the economic competitiveness and sustainability of the Northeast, which is currently threatened by congested, aging infrastructure that limits the ability of the Northeast region to attract jobs and compete in the global economy. We believe that expanded and reliable funding for Amtrak will provide the cities and regions in the Northeast with vital economic, mobility and environmental benefits. As business leaders, we recognize the critical importance the Corridor plays in our region's economic competitiveness and intend to work with our respective governors, Amtrak, and leadership in Washington to secure the funds needed to preserve and improve this irreplaceable economic asset.

We are also interested in expanding the role that intercity and regional rail can play in the Northeast by replacing regional air trips, providing alternatives to auto trips, and focusing development around train stations, to help accommodate the additional 19 million people anticipated in the Northeast megaregion by 2050 and a corresponding growth of the economy. Investing in Amtrak and the Northeast Corridor is an important step toward maintaining a healthy environment in the Northeast, reducing our carbon footprint, and maintaining a high quality of life.

We strongly support the H.R. 6003, the Passenger Rail Investment and Improvement Act of 2008, which would authorize increased funding levels for Amtrak and authorize significant new funding for returning the Northeast Corridor to a state of good repair. This bill would be the first authorization for Amtrak since 2002, and as a multi-year authorization, would help Amtrak develop multiyear plans for Corridor investments and improvement.

Bringing the Northeast Corridor to a state of good repair is our top priority because of the vital role the Corridor plays in the Northeast and the nation's economy. We urge Congress to prioritize state-of-good repair funding to make needed investments that will modernize the Corridor and improve its safety and reliability.

The Northeast Megaregion, which includes the metropolitan economies of Boston, New York, Philadelphia, Baltimore, and Washington, and smaller regions in between, produces a combined GDP of \$2.4 trillion dollars – about 18 percent of the nation's GDP.

Over 750,000 people ride some portion of the Corridor each weekday, taking cars off of congested metropolitan highways. Included in this number are daily commuters who ride one of the eight regional rail services that share the Corridor with Amtrak and are impacted by the condition of the Corridor.

The Corridor is also important to business travelers, who choose Amtrak's Acela and Regional services for travel between New York and Boston, New York and Washington, and points in between. (Amtrak captures 56 percent of the air-rail market for New York – Washington trips and 41 percent for Boston-New York trips.) Amtrak has become an increasingly attractive alternative to regional air trips as delays in Northeastern airports have risen.

The Passenger Rail Investment and Improvement Act would allow Amtrak to make the needed investments in the Northeast Corridor to improve the reliability, safety, and speed of regional and intercity services on the Corridor by undertaking such long-overdue projects as the Baltimore Rail tunnel, several bridges in Connecticut, and replacing aging catenaries, train sets, ties and interlockings.

We are particularly supportive of the following elements of the bill:

- In Section 209, the creation of a Northeast Corridor Infrastructure and Operations Advisory Commission, made up of Amtrak, U.S. DOT, and the Northeast States to jointly develop recommendations for short-term and long term capital investments in the Northeast Corridor and improve operations. We believe it is essential that states, the commuter agencies, and Amtrak work together to develop and implement a long term vision for the Corridor that returns the infrastructure to a state of good repair, increases capacity and reduces trip times.
- And the Acela Service Study, which authorizes \$5 million to determine the infrastructure and equipment investments needed to achieve shorter trip times in the northern and southern ends of the Corridor.

The Business Alliance is also supportive of your "Ride-21" Act, also introduced this week, which provides \$12 billion in tax credit bonds and \$12 billion in tax exempt bonds for developing high-speed rail corridors in the United States. This is an important source of new funding for high-speed rail investments in the Northeast and nationwide, which can help replace air trips of 500 miles or less.

It is also a first step toward finding additional sources of funding for intercity rail in this country, outside the annual appropriations process. We urge this subcommittee to explore

new additional funding sources for intercity rail, including in the next surface transportation bill, which traditionally has excluded intercity rail.

Finally, the Northeast Corridor's potential to promote transit-oriented economic development is of major interest to the Business Alliance for Northeast Mobility. Philadelphia's Cira Center, a Class A office tower adjacent to Philadelphia's 30th Street Station presents a prime example of how the Northeast Corridor can help focus and attract new real estate investment along the Corridor, while increasing ridership, reducing the need for auto trips, and revitalizing the Northeast's older industrial cities. New York City's Moynihan Station project will play a similar role in the promoting economic development and revitalization of Manhattan's Far West Side.

When the Cira Centre was completed in 2006, it was the first high-rise office building built outside of Center City Philadelphia in 12 years. Comprised of over 700,000 square feet, the Cira Centre is fully occupied by 22 tenants. The location -- connected by an enclosed walkway to an Amtrak station -- allowed the building to attract major tenants from outside Pennsylvania, including McKinsey & Co, BlackRock, and Brandywine Global Investments, whose employees travel for business on Amtrak's Northeast Corridor. This project has been so successful that a mixed-use commercial, retail and hotel development is planned next door. The CEO Council for Growth, chair of the Business Alliance for Northeast Mobility, was pleased to host subcommittee ranking member Bill Shuster there a few months ago so that he could see first-hand how crucial Amtrak service is for the Cira Centre to be commercially successful.

In closing, I urge you and your colleagues to support multi-year funding for Amtrak that will allow it to meet the immediate and future challenges in the Corridor. These investments are crucial to addressing the congested roadways and air space that will only worsen, and which hinder our ability to grow and sustain a competitive economy in the Northeast.

Thank you Madame Chair and Members of the Subcommittee for the opportunity to address you this morning. I am happy to answer any questions.